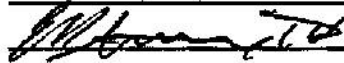


MONTHLY OPERATING REPORT**CHAPTER 11**CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EEFor Period Apr. 1 to Apr. 30, 200 9Mark One Box For Each
Required Report/Document**THIS REPORT IS DUE 15 DAYS AFTER THE END OF THE MONTH.**
The debtor must attach each of the following reports unless the
United States Trustee has waived the requirement in writing. File original
with Clerk of Court and duplicate with UST with an original signature.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
(mark only one - attached or waived)		
(x)	()	Comparative Balance Sheet (Form 2-B)
(x)	()	Profit and Loss Statement (Form 2-C)
(x)	()	Cash Receipts & Disbursements Statement (Form 2-D)
(x)	()	Supporting Schedules (Form 2-E)
(x)	()	Narrative (Form 2-F)
(x)	()	Copies of Bank Statement(s) and Reconciliations of Bank Balance to Book Balance for all Account(s)

**I declare under penalty of perjury that the following Monthly Financial Report and any
attachments thereto, are true and correct to the best of my knowledge and belief.**Executed on: May 15, 2009Debtor(s)*: Warehouse 86, LLC

By:**



Position:

Chief Financial OfficerName of Preparer: Ernest K. Strahan, III

Telephone No.

of Preparer:

901-628-8545

*both debtors must sign if a joint petition

**for corporate or partnership debtor

CASE NAME: Warehouse 86, LLC

CASE NUMBER: 08-03423-EE

COMPARATIVE BALANCE SHEET

	Filing Date							
	1/04/08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Month	Month
ASSETS:								
CURRENT ASSETS:								
Cash	89,361	160,626	241,228	217,930	161,996	157,703	157,468	157,468
Accounts Receivable, Net	152,270	121,206	2,704	611	611	611	611	611
Inventory, at lower of cost or market	73,633	163,361	0	0	0	0	0	0
Prepaid expenses & deposits	103,702	103,702	77,502	117,502	117,502	117,502	117,502	117,502
Other								
TOTAL CURRENT ASSETS	418,966	548,895	321,434	336,043	280,109	275,816	275,581	275,581
PROPERTY, PLANT & EQUIPMENT**	2,178,073	2,178,073	0	0	0	0	0	0
Less accumulated depreciation	-1,124,978	-1,148,876	0	0	0	0	0	0
NET PROPERTY, PLANT & EQUIPMENT	1,053,096	1,029,197	0	0	0	0	0	0
OTHER ASSETS								
Interests in incorporated businesses	6,573	7,414	3,095	0	0	0	0	0
Insurance claim from tornado & fire,								
registered name, customer lists								
(unknown)								
TOTAL OTHER ASSETS	6,573	7,414	3,095	0	0	0	0	0
TOTAL ASSETS	1,478,634	1,585,506	324,529	336,043	280,109	275,816	275,581	275,581

If assets are carried at historical cost on debtor's accounting records and debtor elects to show them as such on the monthly reports, note the change above and include remarks on FORM 2-F (Narrative). All subsequent reports must then carry these assets at that value. Do not use historical cost one month and fair market value the next.

**This number does not include \$1,117,225.84, the estimated reduction due to the tornado/fire.

CASE NAME: Warehouse 86, LLC

CASE NUMBER: 08-03423-EE

COMPARATIVE BALANCE SHEET

LIABILITIES:	Filing Date											
	11/04/08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Month	Month	Month	Month	Month	Month
POST-PETITION LIABILITIES ***												
Taxes Payable (FORM 2-E, P. 1 of 3)		888	1,096	0	0	0						-
Accounts Payable (FORM 2-E, P. 1 of 3)*	0	42,870	20,791	54,751	1,981	242						(73)
Other - DIP Loan		250,703	0	0	0	0						-
TOTAL POST-PETITION LIABILITIES	0	294,461	21,887	54,751	1,981	242						(73)
PRE-PETITION LIABILITIES ***												
Notes Payable-Secured	1,264,902	1,264,902	3,732	3,732	3,732	3,732						3,732
Priority Debt	9,000	9,000	9,000	9,000	9,000	9,000						9,000
Priority Debt-Unsecured	19,000	19,000	19,000	19,000	19,000	19,000						19,000
Unsecured Debt**	2,562,082	2,522,783	2,516,171	2,516,171	2,516,171	2,516,171						2,516,486
Other												
TOTAL PRE-PETITION LIABILITIES	3,854,984	3,815,685	2,547,903	2,547,903	2,547,903	2,547,903						2,548,218
TOTAL LIABILITIES	3,854,984	4,110,146	2,569,790	2,602,654	2,549,884	2,548,145						2,548,145
EQUITY (DEFICIT)												
PREFERRED STOCK												
COMMON STOCK												
PAID-IN CAPITAL												
RETAINED EARNINGS												
Through Filing Date	(2,376,350)	(2,376,350)	(2,376,350)	(2,376,350)	#####	(2,376,350)						(2,376,350)
Post Filing Date		(148,290)	131,089	109,739	106,575	104,021						103,786
TOTAL EQUITY (NET WORTH)	(2,376,350)	(2,524,640)	(2,245,261)	(2,266,611)	#####	(2,272,329)						(2,272,564)
TOTAL LIABILITIES & EQUITY	1,478,634	1,585,506	324,529	336,043	280,109	275,816						275,581

*Reflects disputed insurance charge

**Reflects payment of utility charges and insurance premiums pursuant to court order

***Reflects updated November pre and post-petition liability balances due to final reconciliation.

CASE NAME: Warehouse 86, LLC

CASE NUMBER: 08-03423-EE

PROFIT AND LOSS STATEMENT

	Month 11/4-11/30/08	Month Dec-08	Month Jan-09	Month Feb-09	Month Mar-09	Month Apr-09
NET REVENUE	112,361	270,952	(51)	0	0	0
<u>COST OF GOODS SOLD:</u>						
Material	33,175	213,689	0	0	0	0
Labor-Direct	43,033	28,043	0	0	0	0
Overhead	15,866	74,502	125	0	0	0
TOTAL COST OF GOODS SOLD	92,074	316,234	125	0	0	0
GROSS PROFIT	20,287	(45,282)	(176)	0	0	0
<u>OPERATING EXPENSES</u>						
Selling & Marketing						
General & Administration (Rents, utilities, salaries, etc.)	146,946	51,881	15,349	3,164	2,288	5
Other						
TOTAL OPERATING EXPENSES	146,946	51,881	15,349	3,164	2,288	5
INTEREST EXPENSE	703	986	298	0	0	230
INCOME BEFORE DEPRECIATION OR TAXES	(127,362)	(98,149)	(15,823)	(3,164)	(2,288)	(235)
<u>DEPRECIATION OR AMORTIZATION:</u>						
OTHER INCOME	23,898	7,436	0	0	0	
GAIN/LOSS ON DISPOSAL OF FIXED ASSETS	0	529,079	0	0	0	
NET INCOME (LOSS)	(151,260)	297,397	(15,823)	(3,164)	(2,288)	(235)

*Requires explanation in NARRATIVE (FORM 2-F).

CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**For Period Apr. 1 to Apr. 30, 200 9**CASH RECONCILIATION**

1.	Beginning Cash Balance (Ending Cash Balance from last month's report)		<u>\$ 157,703</u>
2.	Cash Receipts (total Cash Receipts from page 2 of all FORM 2-D's)	<u>\$ 1,051</u>	
3.	Cash Disbursements (total Cash Disbursements from page 3 of all FORM 2-D's)	<u>\$ 1,286</u>	
4.	Net Cash Flow		<u>\$ (235)</u>
5.	Ending Cash Balance (to FORM 2-B)		<u><u>\$ 157,468</u></u>

CASH SUMMARY - ENDING BALANCE

	Amount*	Financial Institution
1. Operating Account	\$ -	Bank of America-3903
2. Operating Account	\$ -	Bank of America-9451
3. Payroll Account	\$ -	Bank of America-5429
4. Sales Account	\$ -	PayPal
5. Sales Account	\$ -	PayPal Alt
6. Sweep Account	\$ -	Bank of America
7. Operating Account	\$ 144,535	Bank of America-DIP
8. Payroll Account	\$ 12,933	Bank of America-DIP Payroll
TOTAL (must agree with line 5 above)	<u>\$ 157,468</u>	

*These amounts should be equal to the previous month's balance for the account plus this month's receipts less this month's disbursements.

ADJUSTED CASH DISBURSEMENTS

Cash disbursements on Line 3 above less
inter-account transfers & UST fees paid \$ 1,286

*NOTE: This amount should be used to determine UST quarterly fees due and agree with Form 2-D, page 2 of 4.

CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EE**QUARTERLY FEE SUMMARY**

MONTH ENDED APRIL 2009

Payment Date	Cash Disbursements*	Quarterly Fee Due	Check No.	Date
January	\$ 27,100			
February	\$ 55,934			
March	\$ 4,487			
Total				
1st Quarter	\$ 87,521	\$		
April	\$ 1,286			
May	\$			
June	\$			
Total				
2nd Quarter	\$ 1,286	\$		
July	\$			
August	\$			
September	\$			
Total				
3rd Quarter	\$ 0			
October	\$			
November	\$			
December	\$			
Total				
4th Quarter	\$ 0	\$		

Fee Schedule
DISBURSEMENT CATEGORY

QUARTERLY FEE DUE

Less than \$14,999.00	\$325
\$15,000-\$74,999.99	\$650
\$75,000-\$149,999.99	\$975
\$150,000-\$224,999.99	\$1,625
\$225,000-\$299,999.99	\$1,950
\$300,000-\$999,999.99	\$4,875
\$1,000,000-\$1,999,999.99	\$6,500
\$2,000,000-\$2,999,999.99	\$9,750
\$3,000,000-\$4,999,999.99	\$10,400
\$5,000,000 and above	\$13,000

Note that a minimum payment of \$250 is due each quarter even if no disbursements are made in the case during the period.

*Note: should agree with "adjusted cash disbursements" at bottom of Form 2-D, Page 1 of 4. Disbursements are net of transfers to other debtor in possession bank accounts and net of payments of prior period quarterly fees.

CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

(This form should be completed for each type of account
listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period Apr. 1 to Apr. 30, 200 9Account Name: DIP-Payroll Account Account Number: 3755551966**CASH RECEIPTS JOURNAL**

(attach additional sheets as necessary)

<u>Date</u>	<u>Description (Source)</u>	<u>Amount</u>
-------------	-----------------------------	---------------

Total Cash Receipts \$ -

CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

(This form should be completed for each type of account listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period Apr. 1 to Apr. 30, 200 9Account Name: Bank of America-DIP Account Number: 3755551953**CASH RECEIPTS JOURNAL**

(attach additional sheets as necessary)

<u>Date</u>	<u>Description (Source)</u>	<u>Amount</u>
4/8/09	State of Tennessee-refund	20.00
4/8/09	State of Tennessee-refund	20.00
4/13/09	Marchetti Robertson-insurance refund	1,011.28

Total Cash Receipts \$ 1,051.28

CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

(This form should be completed for each type of account listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period Apr. 1 to Apr. 30, 200 9Account Name: DIP-General Account Account Number: 3755551953**CASH DISBURSEMENTS JOURNAL**

(attach additional sheets as necessary)

<u>Date</u>	<u>Check No.</u>	<u>Payee</u>	<u>Description (Purpose)*</u>	<u>Amount</u>
04/13/2009	20120	First Insurance Funding	Insurance	\$1,056.42
04/01/2009		Bank of America	bank charges	\$200.05

Total Cash Disbursements \$1,256.47

*Identify any payments to professionals, owners, partners, shareholders, officers, directors or any insiders and all adequate protection payments ordered by the court with an asterisk or highlighting. Any payments made as a result of a court order, should indicate the order date.

CASE NAME: Warehouse 86, LLC

CASE NUMBER: 08-03423-EE

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

(This form should be completed for each type of account listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period Apr. 1 to Apr. 30, 200 9

Account Name: DIP-Payroll Account Account Number: 3755551966

CASH DISBURSEMENTS JOURNAL

(attach additional sheets as necessary)

<u>Date</u>	<u>Check No.</u>	<u>Payee</u>	<u>Description (Purpose)*</u>	<u>Amount</u>
04/01/2009		Bank of America	service charge	30.16

Total Cash Disbursements \$ 30.16

*Identify any payments to professionals, owners, partners, shareholders, officers, directors or any insiders and all adequate protection payments ordered by the court with an asterisk or highlighting. Any payments made as a result of a court order, should indicate the order date.

CASE NAME: Warehouse 86, LLC CASE NUMBER: 08-03423-EE

SUPPORTING SCHEDULES

For Period Apr. 1 to Apr. 30, 2009

INSURANCE SCHEDULE

Type	Carrier/Agent	Coverage (\$)	Date of Expiration	Premium Paid
General Liability	Employers Mutual Casualty Marchetti Robertson & Brickell	1,000,000	4/15/09	Yes
Property (Fire, Theft)	Employers Mutual Casualty Marchetti Robertson & Brickell	1,000,000	4/15/09	Yes
Vehicle	General Insurance Co. of America Marchetti Robertson & Brickell	1,000,000	4/29/09	Yes
Other (list): Excess/Umbrella	National Union Fire Ins. Co. Marchetti Robertson & Brickell	3,000,000	7/11/09	Yes

(1) Attach copy of certificate of insurance or declaration page of policy for any coverage renewed or replaced during the current reporting month.

(2) For the premium paid column enter "yes" if payment of premium is current or "no" if premium payment is delinquent. If "no", explain on Form 2-F, Narrative.

CASE NAME: Warehouse 86, LLC CASE NUMBER: 08-03423-EE

NARRATIVE STATEMENT

For Period Apr. 1 to Apr. 30, 2009

Please provide a brief description of the significant business and legal action by the debtor, its creditors or the court during the reporting period. Comments should include any change in bank accounts, explanation of extraordinary expenses, and purpose of any new post-petition financing. Comments should also include debtor's efforts during the month to rehabilitate the business and to develop a plan.

[illegible]

Bank of America

CUSTOMER CONNECTION
BANK OF AMERICA, N.A.
DALLAS, TEXAS 75283-2406

Account Number 3755551953
01 01 152 01 M0000 E# 1
Last Statement: 03/31/2009
This Statement: 04/30/2009

Customer Service
1-877-757-8233

WAREHOUSE 86 LLC
DEBTOR IN POSSESSION 08-03423
GENERAL PAYABLES ACCOUNT
PO BOX 16692
JACKSON MS 39236

Page 1 of 2

Bankruptcy Case Number: 0803423

ANALYZED CHECKING

Account Summary Information

Statement Period 04/01/2009 - 04/30/2009	Statement Beginning Balance	146,078.02
Number of Deposits/Credits 0	Amount of Deposits/Credits	.00
Number of Checks 1	Amount of Checks	1,056.42
Number of Other Debits 1	Amount of Other Debits	200.05
	Statement Ending Balance	144,821.55
Number of Enclosures 1	Service Charge	.00

Withdrawals and Debits

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
20119	1,056.42	04/06	1792098468				

Date Posted	Customer Reference	Amount	Description	Bank Reference
04/15		200.05	Account Analysis Fee ANALYSIS CHARGE MARCH BILLING FOR DETAIL 37555-51953	08790053169

Daily Balances

Date	Ledger Balance	Collected Balance	Date	Ledger Balance	Collected Balance
03/31	146,078.02		04/15	144,821.55	144,821.55
04/06	145,021.60	146,078.02	04/30	144,821.55	144,821.55
		145,021.60			

Bank of America

CUSTOMER CONNECTION
BANK OF AMERICA, N.A.
DALLAS, TEXAS 75283-2406

Account Number 3755551966
01 01 152 01 M0000 E# 0
Last Statement: 03/31/2009
This Statement: 04/30/2009

HH

Customer Service
1-877-757-8233

WAREHOUSE 86 LLC
DEBTOR IN POSSESSION 08-03423
PAYROLL ACCOUNT
PO BOX 16692
JACKSON MS 39236

Page 1 of 2

Bankruptcy Case Number:0803423

ANALYZED CHECKING

Account Summary Information

Statement Period 04/01/2009 - 04/30/2009	Statement Beginning Balance	12,963.25
Number of Deposits/Credits 0	Amount of Deposits/Credits	.00
Number of Checks 0	Amount of Checks	.00
Number of Other Debits 1	Amount of Other Debits	30.16
	Statement Ending Balance	12,933.09
Number of Enclosures 0	Service Charge	.00

Withdrawals and Debits

Other Debits

Date Posted	Customer Reference	Amount	Description	Bank Reference
04/15		30.16	Account Analysis Fee ANALYSIS CHARGE MARCH BILLING FOR DETAIL 37555-51966	0879005317

Daily Balances

Date	Ledger Balance	Collected Balance	Date	Ledger Balance	Collected Balance
03/31	12,963.25	12,963.25	04/30	12,933.09	12,933.09
04/15	12,933.09	12,933.09			